1	QUINN EMANUEL URQUHART &		
2	SULLIVAN, LLP John B. Quinn (Bar No. 90378)		
3	johnquinn@quinnemanuel.com 865 South Figueroa Street, 10th Floor		
4	Los Angeles, California 90017-2543 Telephone: (213) 443-3000		
5	Facsimile: (213) 443-3100		
6	Morgan W. Tovey (Bar No. 136242) morgantovey@quinnemanuel.com		
7	50 California Street, 22nd Floor San Francisco, California 94111		
	Telephone: (415) 875-6600		
8	Facsimile: (415) 875-6700		
9	Corey Worcester (Admitted <i>pro hac vice</i>) coreyworcester@quinnemanuel.com		
10	stefanberthelsen@quinnemanuel.com		
11	295 Fifth Avenue, 9th Floor New York, New York 10016		
12	Telephone: (212) 849-7000 Facsimile: (212) 849 -7100		
13	Attorneys for Plaintiff Reddit, Inc.		
14			
15	UNITED STATES DISTRICT COURT		
16	NORTHERN DISTRICT OF CALIFORNIA		LIFORNIA
17	SAN FRANCISCO DIVISION		
18	REDDIT, INC.,	Case No. 3:2:	5-cv-5643-SI
19			'S REPLY MEMORANDUM IN DF MOTION TO REMAND
20	v.		RLY REMOVED ACTION TO
21	ANTHROPIC PBC,		
22	Defendant.	Hearing: Time:	October 10, 2025 10:00 a.m.
23	III	Place: Judge:	Courtroom 1, 17 th Floor Hon. Susan Y. Illston
24			
25			
26			
27			
28			
			Case No. 3:25-cv-5643-SI

REPLY IN SUPPORT OF MOTION TO REMAND

1 2	TABLE OF CONTENTS Pa			
3				
4	I. INTRODUCTION	1		
5	II. ARGUMENT	2		
6	A. Reddit's Claims Are Not Completely Preempted	2		
7	Reddit's Breach Of Contract Claim Contains Extra Elements Not Equivalent To Copyrights	2		
8	2. Reddit's Unjust Enrichment Claim Also Contains Extra Elements Not Equivalent To Copyrights	8		
10	3. Reddit's Tortious Interference Claim Contains Extra Elements Not Equivalent To Copyrights	10		
11 12	4. Reddit's Unfair Competition Claim Contains Extra Elements Not Equivalent To Copyrights	13		
13 14	B. Even If The Court Finds A Cause of Action Completely Preempted, The Court Should Decline To Exercise Supplemental Jurisdiction Over The Remaining Causes Of Action.	14		
15	CONCLUSION			
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
	: Cosa No. 3:25 av 5	5612 S		

TABLE OF AUTHORITIES

2	<u>Page</u>
3	Cases
4 5	Altera Corp. v. Clear Logic, Inc., 424 F.3d 1079 (9th Cir. 2005)
6	Andersen v. Stability AI Ltd., 744 F. Supp. 3d 956 (N.D. Cal. 2024)
7 8	Craigslist Inc. v. 3Taps Inc., 942 F. Supp. 2d 962 (N.D. Cal. 2013)
9	Craigslist, Inc. v. Autoposterpro, Inc., 2009 WL 890896 (N.D. Cal. Mar. 31, 2009)
11	Daniher v. Pixar Animation Studios, 2022 WL 1470480 (N.D. Cal. May 10, 2022)
3	Experexchange, Inc. v. Doculex, Inc., 2009 WL 3837275 (N.D. Cal. Nov. 16, 2009)
4	Firoozye v. Earthlink Network, 153 F. Supp. 2d 1115 (N.D. Cal. 2001)
16	Grosso v. Miramax Film Corp., 383 F.3d 965 (9th Cir. 2004)
17	ISE Ent. Corp. v. Longarzo, 2018 WL 1569803 (C.D. Cal. Feb. 2, 2018)
9	Jacobsen v. Katzer, 609 F. Supp. 2d 925 (N.D. Cal. 2009)
20 21	Jonathan Browning, Inc. v. Venetian Casino Resort, LLC, 2007 WL 4532214 (N.D. Cal. Dec. 19, 2007)
22 23	Kadrey v. Meta Platforms, Inc., 2023 WL 8039640 (N.D. Cal. Nov. 20, 2023)
24	Kinsley v. Udemy, Inc., 2021 WL 1222489 (N.D. Cal. Mar. 31, 2021)
25 26	MDY Indus., LLC v. Blizzard Ent., Inc., 629 F.3d 928 (9th Cir. 2010)
27 28	Media.net Advert. FZ-LLC v. NetSeer, Inc., 156 F. Supp. 3d 1052 (N.D. Cal. 2016)
- 1	

1	Metrano v. Fox Broad. Co., 2000 WL 979664 (C.D. Cal. Apr. 24, 2000)		
3	Montz v. Pilgrim Films & Television, Inc., 649 F.3d 975 (9th Cir. 2011)		
4	Morris v. Atchity,		
5	2009 WL 463971 (C.D. Cal. Jan. 13, 2009)		
6	OEG Inc. v. Korum, 2025 WL 353927 (W.D. Wash. Jan. 31, 2025)9		
7			
8	Royal Canin U.S.A., Inc. v. Wullschleger, 604 U.S. 22 (2025)		
9	Rumble, Inc. v. Daily Mail & Gen. Tr. PLC, 2020 WL 2510652 (C.D. Cal. Feb. 12, 2020)		
1 2	Ryan v. Editions Ltd. W., Inc., 786 F.3d 754 (9th Cir. 2015)		
3	Schrichte v. Tilleman, 2025 WL 1943012 (D. Mont. June 30, 2025)		
5	Summit Mach. Tool Mfg. Corp. v. Victor CNC Sys., Inc., 7 F.3d 1434 (9th Cir. 1993)		
6	Synopsys, Inc. v. Real Intent, Inc., 2025 WL 929952 (N.D. Cal. Mar. 27, 2025)		
8	Toumajian v. Frailey, 135 F.3d 648 (9th Cir. 1998)		
20	United Fabrics Int'l, Inc. v. J.C. Penney Corp., Inc., 2008 WL 11337642 (C.D. Cal. July 21, 2008)		
21	Valente-Kritzer Video v. Pinckney, 881 F.2d 772 (9th Cir. 1989)		
22 23	Wimer v. Reach Out Worldwide, Inc., 2017 WL 5635461 (C.D. Cal. July 13, 2017)		
24	Yu v. ByteDance Inc.,		
25	2023 WL 5671932 (N.D. Cal. Sept. 1, 2023)		
26	<u>Statutes</u>		
27	28 U.S.C. § 1367		
28	28 U.S.C. § 1447		
	-iii- Case No. 3:25-cv-5643-SI		
	REPLY IN SUPPORT OF MOTION TO REMAND		

-iv-

I. INTRODUCTION

As foreshadowed in the moving papers, Anthropic¹ fails to satisfy its heavy burden that removal of Reddit's state law claims is proper. Instead, Anthropic's Opposition misstates the law and mischaracterizes the facts, continuing its self-serving, selective reading of Reddit's Complaint, User Agreement, Motion to Remand, and governing law. Accordingly, and as detailed below, the Court should grant the Motion and remand the action to the court where it was filed but later improvidently removed.

At the threshold, Anthropic misstates the law by attempting to downplay (since it cannot rebut) the "strong presumption" against removal jurisdiction. But the standard is clear: in the Ninth Circuit, district courts should remand where "there is *any doubt* as to the right of removal," and Anthropic's legal arguments attempting to invoke the Court's limited jurisdiction based on complete preemption all miss their mark.

Unable to rebut the presumption against removal based upon the facts and claims alleged in Reddit's Complaint, Anthropic mischaracterizes them. Most glaringly, Anthropic ignores the allegations in the Complaint regarding the multiple terms in Reddit's User Agreement—which Anthropic voluntarily agreed to in exchange for its access to the Reddit platform—including prohibiting Anthropic's scheme of automated bot access, use, and scraping of the Reddit platform for commercial purposes. These terms make Anthropic's breach of Reddit's terms of use qualitatively different from, and thus *not equivalent to*, restrictions within the exclusive domain of copyright holders regarding reproduction, display, or distribution. *Yu v. ByteDance Inc.*, 2023 WL 5671932, at *5-6 (N.D. Cal. Sept. 1, 2023) ("allegations about [a] bot scheme and the allegations that [a defendant] scrapes content from competitor websites in violation of those competitors' terms of use [are] not preempted because those allegations do not assert rights equivalent to an action for copyright infringement." (citation omitted)).

Reddit uses capitalized terms and abbreviations with the same meaning adopted in its Motion to Remand (ECF No. 19, the "Motion" or "Mot.").

8 9 10

12 13

11

15 16

14

17 18

19 20

21 22

23 24

26

25

27

28

Instead, Anthropic myopically focuses on copying restrictions to the exclusion of the multiple extra contractual elements which remove Reddit's contract-based claims "from the ambit of the Copyright Act's express preemption provision." Ryan v. Editions Ltd. W., Inc., 786 F.3d 754, 761 (9th Cir. 2015). In doing so, Anthropic fails to sidestep the Ninth Circuit authority which has "long recognized that a contractually-based claim generally survives copyright preemption." Id. And because Reddit's breach of contract claim survives, so too does its unjust enrichment claim arising from, but pled in the alternative to, its contract claim.

Similarly, Anthropic's attack on Reddit's tortious interference claim ignores the enforceable privacy rights Reddit and its users agree to in the User Agreement's Privacy Policy and Public Content Policy. For example, through its improvident access, use, and scraping of Reddit's platform for commercial gain, Anthropic knowingly interferes with Reddit users' deletion rights set forth in those agreements.

Finally, Anthropic concedes that Reddit's trespass to chattels cause of action and at least a portion of Reddit's UCL cause of action are not preempted.

At bottom, Anthropic's redlining of Reddit's state law claims to try to recharacterize them as copyright claims falls well short of its heavy burden to overcome the strong presumption against removal. The Court should grant the Motion, award Reddit its fees and costs, and remand the action to the San Francisco Superior Court.

ARGUMENT II.

A. Reddit's Claims Are Not Completely Preempted

1. Reddit's Breach Of Contract Claim Contains Extra Elements Not **Equivalent To Copyrights**

Anthropic fails to establish that Reddit's breach of contract claim is completely preempted. In fact, Reddit's breach of contract cause of action implicates far more than an allegation that "Anthropic copied and used content posted on Reddit without permission." See Opp. at 7. But Anthropic's argument not only mischaracterizes both the contract (Reddit's User Agreement) and the scope of the breach, Anthropic also misstates the law. Ninth Circuit precedent has "long recognized that a contractually-based claim generally possesses the extra element necessary to

10

19

20

16

17

18

212223

2526

24

2728

remove it from the ambit of the Copyright Act's express preemption provision." *Ryan*, 786 F.3d at 761 (citing *Altera Corp. v. Clear Logic, Inc.*, 424 F.3d 1079, 1089 (9th Cir. 2005) ("Most courts have held that the Copyright Act does *not* preempt the enforcement of contractual rights."); *see also MDY Indus., LLC v. Blizzard Ent., Inc.*, 629 F.3d 928, 957-58 (9th Cir. 2010) (finding "anti-bot provisions of" a video game's terms of use to be "contract-enforceable covenants rather than copyright-enforceable conditions" and so "the Copyright Act [did] not preempt" plaintiff's suit "to enforce contractual rights that are not equivalent to any of its exclusive rights of copyright") (collecting circuit court cases); *Montz v. Pilgrim Films & Television, Inc.*, 649 F.3d 975, 980 (9th Cir. 2011) ("Contract claims generally survive preemption").

Anthropic also mischaracterizes the Motion. Contrary to Anthropic's arguments, Reddit never claimed contract claims are *automatically* exempt from preemption. *See* Opp. at 5. Instead, Reddit relied on this Ninth Circuit precedent explaining the contractual bargaining process frequently goes beyond restrictions on mere reproduction, distribution, and display. *See Ryan*, 786 F.3d at 761 (citing *Altera*, 424 F.3d at 1089); *see also Grosso v. Miramax Film Corp.*, 383 F.3d 965, 968 (9th Cir. 2004) (finding a "breach of an implied-in-fact contract is not preempted by the Copyright Act, because it alleges an extra element"—a "bilateral expectation of compensation"— "that transforms the action from one arising under the ambit of the federal statute to one sounding in contract.").

Reddit's User Agreement contains the requisite "extra obligations beyond those imposed by the Copyright Act" related to the use and access *of Reddit's platform*, not simply use or access to potentially copyrightable works or restrictions on their reproduction, distribution, and display. *Craigslist, Inc. v. Autoposterpro, Inc.*, 2009 WL 890896, at *2 (N.D. Cal. Mar. 31, 2009) (noting "breach of contract" and "intentional interference with contractual relations" "are not predicated on a work of authorship, and each requires the existence of a contract between the parties or a misrepresentation regarding the [terms of use] by Hossain, which provide qualitatively different elements from copyright.").

As the User Agreement makes clear, "This Reddit User Agreement [] applies to your *access* to and use of the websites, mobile apps, widgets, APIs, emails, and other online products and

2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |

services [] provided by Reddit, Inc." User Agreement, Preamble (emphasis added); Compl. ¶ 27. The User Agreement goes on: "By *accessing or using* our Services, you agree to be bound by these Terms. If you do not agree to these Terms, you may not *access or use* our Services[.]" User Agreement, Preamble (emphasis added); Compl. ¶¶ 27, 66. In exchange for "access to or use of" Reddit's platform, Anthropic thus agreed to comply with the User Agreement and so covenanted not to "[a]ccess, search, or collect data from the [Reddit platform] by any means," "automated or otherwise." User Agreement, § 7; Compl. ¶¶ 65-67. Anthropic completely ignores these extra contractual elements which Anthropic breached on top of, and in addition to, the prohibitions on scraping and commercial exploitation of the Platform.

In Section 7 of the Agreement, Reddit is not restricting *human* copying of Reddit content (which, of course, Anthropic would never do given the data scale necessary to train LLMs). Instead, Reddit conditions access to, and use of, the Reddit platform on a covenant that its users will not access or use the Reddit platform via automated means, including through scraping or for commercial purposes. *Craigslist Inc. v. 3Taps Inc.*, 942 F. Supp. 2d 962, 976-77 (N.D. Cal. 2013) (noting breach of terms "governing access to and permissible uses of [plaintiff's] website" was sufficient to make contractual rights not equivalent to copyrights).

In this way, Reddit does not assert a "right against the world" but instead a right arising from two parties to a contract related to the "access to and use of" Reddit's platform. *MDY Indus.*, 629 F.3d at 957 (noting contractual rights "generally affect only [a contract's] parties; strangers may do as they please, so contracts do not create 'exclusive rights'" in contrast to copyrights); *see also Ryan*, 786 F.3d at 761-62. Contrary to Anthropic's assertion that Reddit construes this precedent as a "bright line" rule that a contract can never be preempted, Ninth Circuit precedent simply elucidates why a contractual exchange of promises generally goes beyond mere restrictions on reproduction, display, and distribution and thus "generally possesses the extra element necessary to remove it from the ambit of the Copyright Act's express preemption provision." *Ryan*, 786 F.3d at 761. Just so with the User Agreement. Anthropic does not get to pick and choose the terms it agreed to as a condition for access and use of the Reddit platform after the fact, nor does Anthropic get to pick and choose which terms Reddit alleges Anthropic breached.

2 | 3 | 4 | 5 |

If Anthropic objected to these terms and conditions, it could have avoided them by simply choosing not to access and use the Reddit platform. But of course Anthropic did just the opposite—and continued to do so after representing publicly it had stopped, Compl. ¶¶ 1, 9, 49. Anthropic continued to access and use the Reddit platform, because Anthropic needed such access and use to obtain the content it believed was so valuable. *Id.* ¶¶ 7-9, 46-54.

Anthropic would now have the Court believe that this dispute is solely about its unauthorized use of third-party content, divorced from the fact that it unlawfully accessed the Reddit platform to first access that content. But Anthropic's CEO, several founders, and a swath of Anthropic engineers made clear in December 2021 that they found Reddit content valuable for training AI precisely because it was posted on Reddit. *Id.* ¶7 ("Training [AI models] on large public preference modeling data sourced from e.g. . . . Reddit comments . . . significantly improves sample efficiency when subsequently finetuning on small preference modeling datasets.") (quoting and incorporating by reference *A General Language Assistant As A Laboratory For Alignment*, https://arxiv.org/pdf/2112.00861 (Dec. 9, 2021)). Anthropic specifically called out a host of over fifty prominent subreddits²—for example, "[r/]changemyview" and "[r/]todayilearned"—as "hav[ing] the highest quality data" when it noted Reddit content was one of the "good' samples" for "finetun[ing]" AI LLMs. Compl. ¶¶7, 47 (quoting *A General Language Assistant As A Laboratory For Alignment*).

Indeed, the Anthropic researchers pinpointed Reddit's signature user upvoting system as what makes Reddit content valuable and ideal for training AI. See A General Language Assistant As A Laboratory For Alignment, at 35 (noting "a sequence [of Reddit comments] whose final comment has the higher number of user upvotes" was labeled as the "better' sequence" for preference model training). And Anthropic was fully aware it targeted Reddit's platform because it would have been impossible to inadvertently access the Reddit platform without intentionally programming its bots to have automated access of the Reddit platform by purposefully

² "Subreddits" are "communities of individuals with shared interests", which are "defined, created, and managed by Reddit users themselves[] who vote and self-govern, establish community-specific norms and rules, and share responsibility for how Reddit operates." Compl. ¶ 3.

circumventing and bypassing Reddit's "automation prevention techniques," including Reddit's "registered user identification limits, industry standard robots.txt files, IP rate limits, and anomaly detection tools." Compl. ¶ 41.

Contrary to Anthropic's argument, the fact that Reddit also conditioned access to and use of the Reddit platform on a promise from its users not to "commercially exploit" the Reddit platform does not transform Reddit's contract claim into a copyright claim. *See* Opp. at 7. Unlike Anthropic's cited cases, the prohibition on "commercial exploitation" is part and parcel of the bilateral expectations arising from Reddit's User Agreement to which Anthropic agreed and which governs its access and use of the Reddit Platform. Compl. ¶¶ 46-57, 65-67, 70; User Agreement, § 3. Accordingly, the actual "right[s] implicated" in the "Your Use of the Services" sub-section of the User Agreement's prohibition on "commercial[] exploit[ation]" are contractual use restrictions and covenants. Thus, Anthropic's reliance on *Synopsys, Inc. v. Real Intent, Inc.*, 2025 WL 929952, *8 (N.D. Cal. Mar. 27, 2025) is misplaced. In that case, no restrictions on use appeared in the contract at issue. *Id.* ("While it is true that courts have found certain contractual restrictions on use of software can supply the necessary 'extra element' to avoid preemption, no such restrictions on use appear[ed]" in that contract and case).

Indeed, Anthropic's preferred case, *Best Carpet Values, Inc. v. Google, LLC*, actually supports Reddit because the plaintiff's claim there arose from an implied-in-law contract. 90 F.4th 962, 973-74 (9th Cir. 2024). As the *Best Carpet Values* court explained, an implied-in-law contract is "readily distinguishable" from "an implied-in-*fact* contract containing an added element of an explicit 'agreement to pay for use of the disclosed ideas." *Id.* at 974 (emphasis in original) (citing *Montz*, 649 F.3d at 980, and *Grosso*, 383 F.3d at 967-68). In *Best Carpet Values*, the court further reasoned that because the plaintiffs "advance[d] a theory based on a contract implied-in-*law* without any additional agreement, either explicit or implicit", the implied-in-law claim was preempted. *Id.* (emphasis in original). Here, conversely, in exchange for access to and use of Reddit's platform, Anthropic promised, as part of the User Agreement, not to commercially exploit Reddit's platform. Thus, *Best Carpet Values* counsels against a finding of preemption here.

Similarly, although the Ninth Circuit in *Laws v. Sony Music Ent., Inc.* noted that the element of "commercial use" in a statutory cause of action—not a contract cause of action—was not enough to save it from copyright preemption, the Court also observed that, like here, "[t]o the extent that [plaintiff] has enforceable, contractual rights regarding the use of [copyrightable material], her remedy may lie in a breach of contract claim." 448 F.3d 1134, 1143-44 (9th Cir. 2006).

Moreover, Reddit's breach of contract cause of action flowing from Anthropic's acceptance of Reddit's User Agreement is nothing like the cases Anthropic cites which involved, for example, bald agreements not to infringe, reproduce, or display copyrightable material. *See, e.g., United Fabrics Int'l, Inc. v. J.C. Penney Corp., Inc.*, 2008 WL 11337642, at *8 (C.D. Cal. July 21, 2008); *Experexchange, Inc. v. Doculex, Inc.*, 2009 WL 3837275, at *24-26 & n.23 (N.D. Cal. Nov. 16, 2009) (involving both an untimely software copyright infringement claim and a software licensing agreement restricting reproduction of copyrightable software code).³ Many of Anthropic's remaining cases do not involve breach of contract claims at all. *See, e.g., Kinsley v. Udemy, Inc.*, 2021 WL 1222489, at *7 (N.D. Cal. Mar. 31, 2021) (no breach of contract claims), aff'd, 2022 WL 10966073 (9th Cir. Oct. 19, 2022). In sum, Anthropic fails to meet its heavy burden to rebut the presumption against removal jurisdiction for Reddit's state law breach of contract cause of action. *Gaus*, 980 F.2d at 566 ("federal jurisdiction must be rejected if there is any doubt as to the right of removal in the first instance.").

Anthropic cites but confines to a footnote four other inapt cases. Unlike here, each of those four other cases all involved straightforward promises not to infringe, reproduce, or display copyrighted works. *See, e.g., Rumble, Inc. v. Daily Mail & Gen. Tr. PLC*, 2020 WL 2510652, at *4 (C.D. Cal. Feb. 12, 2020) (involving nothing more than "promise not to infringe"); *ISE Ent. Corp. v. Longarzo*, 2018 WL 1569803, at *8 (C.D. Cal. Feb. 2, 2018) (breach of contract claim as pled involved restrictions on "reproduction" and "right to display"); *Jacobsen v. Katzer*, 609 F. Supp. 2d 925, 933 (N.D. Cal. 2009) (breach of licensing agreement for copyrightable works "allege[d] violations of the exact same exclusive federal rights protected by Section 106 of the Copyright Act, the exclusive right to reproduce, distribute and make derivative copies."); *Morris v. Atchity*, 2009 WL 463971, at *8 (C.D. Cal. Jan. 13, 2009) (claim for third party breach of contract restricting infringement of derivative works).

4 5

3

7

9

10

6

11 12

14 15

13

16 17

18 19

2021

22

2324

26

25

28

27

2. Reddit's Unjust Enrichment Claim Also Contains Extra Elements Not Equivalent To Copyrights

Anthropic also fails to establish that Reddit's unjust enrichment claim is completely preempted. Anthropic does not meaningfully contest the cases Reddit cites concluding that "the specific unjust enrichment claims before [those courts] were not preempted, because they were pled in the alternative to non-preempted claims." *See* Opp. at 11 (citing multiple cases from Mot. at 17). Because the Copyright Act does not completely preempt Reddit's breach of contract claim and because Anthropic bears the burden to show removal jurisdiction is proper, the same applies to Reddit's unjust enrichment claim.

The cases which Anthropic cites to cast doubt on Reddit's unjust enrichment claim either did not involve contract at all, involved an implied-in-law contract (which are generally preempted), occasionally involved an implied-in-fact contract (generally not preempted), and never involved an unjust enrichment claim as an alternative pleading to an express contract. Firoozye v. Earthlink Network, 153 F. Supp. 2d 1115, 1127 (N.D. Cal. 2001) (cited by Anthropic) (explaining "the importance of distinguishing between an implied-in-fact contract and an implied-in-law contract for the purposes of a preemption analysis" (citing 4 Nimmer on Copyright § 16.03, at 16–10 to 16–11) because an express promise giving rise to an implied-in-fact contract "change[s] the nature of the action so that it is qualitatively different from a copyright infringement claim" (citation omitted)); Best Carpet Values, 90 F.4th at 966-67 (implied-in-law contract); Daniher v. Pixar Animation Studios, 2022 WL 1470480, at *4-5 (N.D. Cal. May 10, 2022) (implied-in-law contract: "Ms. Daniher's unjust enrichment claim is solely predicated on Pixar's alleged 'benefit' from its 'use of the Vanicorn as a central character in Onward' without remunerating Ms. Daniher for that use."); Kadrey v. Meta Platforms, Inc., 2023 WL 8039640, at *2 (N.D. Cal. Nov. 20, 2023) (implied-inlaw contract); Andersen v. Stability AI Ltd., 744 F. Supp. 3d 956, 972 (N.D. Cal. 2024) (no express contract); Metrano v. Fox Broad. Co., 2000 WL 979664, at *6 (C.D. Cal. Apr. 24, 2000) (impliedin-fact contract); Schrichte v. Tilleman, 2025 WL 1943012, at *5 (D. Mont. June 30, 2025) (finding unjust enrichment claim not preempted because "[w]hile unjust enrichment claims are often

1

4

3

67

8 9 10

1112

13

14 15

16

17 18

19

20

21

2223

24

25

26

27

preempted, that is not always the case", particularly where unjust enrichment claims arise from contract).

Moreover, Reddit's alternative pleading is not simply a label. Reddit premised its unjust enrichment claim upon the express contract—the User Agreement—which was formed when Anthropic agreed to Reddit's terms. To be clear, Reddit does not assert a free-standing unjust enrichment claim separate and distinct from the User Agreement. See Opp. at 8-11. To argue otherwise, Anthropic ignores Reddit's express allegations on the face of the Complaint: "Anthropic was unjustly enriched" "[a]s a result of [Anthropic's] actions as stated above [in the preceding 72 paragraphs in Reddit's Complaint]"—the overwhelming focus of which are Reddit's User Agreement and Anthropic's breach of it. Indeed, Reddit's breach of contract claim immediately precedes the unjust enrichment claim, and paragraphs 64-71 of the Complaint refer to Reddit's User Agreement, Anthropic's acceptance, and Anthropic's breach of the contract's terms. And in the User Agreement Anthropic expressly promised not to "commercially exploit" the Reddit platform absent an express agreement granting it permission to do so—the functional equivalent of a promise to pay for commercial use of the platform. User Agreement § 3; cf. OEG Inc. v. Korum, 2025 WL 353927, at *17 (W.D. Wash. Jan. 31, 2025) (cited by Anthropic) (finding unjust enrichment claim not preempted and noting "[i]ust as a claim for unjust enrichment based on a breach of contract contains an extra element, so too does a claim for unjust enrichment rooted in theft.").

Regardless, were it "true that the [c]omplaint also alleges that [d]efendants were unjustly enriched by profiting from the Works without Plaintiff's consent and without legal rights to the works"—which might "seem[] equivalent to the Copyright Act's exclusive right to reproduce the work or distribute copies"—as the Court in *Wimer v. Reach Out Worldwide, Inc.*, 2017 WL 5635461, at *4 (C.D. Cal. July 13, 2017) explained:

Were the [c]ourt to subscribe to this reasoning—particularly in a case like this where it is unclear whether the plaintiff even has a valid copyright registered—any time a party mentioned that the other party "benefitted" from a potentially copyrightable work, preemption would be the only result and would invariably swallow up viable state law claims. Thus, the Court concludes that the Copyright Act does not preempt the unjust enrichment claim.

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

3. Reddit's Tortious Interference Claim Contains Extra Elements Not Equivalent To Copyrights

Likewise, if the Court adopted Anthropic's theory, then scrapers like Anthropic could

transform any unjust enrichment claim pled in the alternative to a breach of contract claim into a

copyright claim. But that is not the law in the Ninth Circuit where a "bilateral expectation of

compensation"—that is, an unjust enrichment claim grounded in an underlying contractual

promise—is "an extra element that transforms the action from one arising under the ambit of the

[Copyright Act] to one sounding in contract." See Grosso, 282 F. 3d at 968. Reddit's unjust

enrichment claim likewise echoes its valid contract claim and thus does not assert equivalent rights

to those protected by copyright. Again, Anthropic fails to meet its heavy burden to show complete

preemption applies to Reddit's state law cause of action for unjust enrichment.

Anthropic fails to demonstrate Reddit's state law cause of action for tortious interference is completely preempted. Contrary to Anthropic's misguided arguments, Reddit did not whole cloth make up these obligations. Nor is it true that "Reddit cannot identify a single specific contractual duty it owes to its users that Anthropic allegedly interfered." *See* Opp. at 12. In fact, as the Complaint alleges, "Reddit has specific obligations to its users" as set forth in the User Agreement with which Anthropic interferes. Compl. ¶¶ 32, 85, 90.

Because the User Agreement expressly incorporates the Privacy Policy and the Public Content Policy,⁴ Reddit is contractually obliged to "protect[] user privacy in accordance with Reddit's Privacy Policy." *Id.* ¶ 85. Under the Privacy Policy, users "have choices about how to protect and limit the collection, use, and sharing of information about you when you use the Services." User Agreement, Privacy Policy, Your Rights and Choices; *see id.* ¶ 32 n.8. Within the privacy rights Reddit contractually covenanted to protect are a user's deletion rights. User Agreement, Privacy Policy, "Your Rights and Choices" (including sub-section "Deleting Your Account"). More specifically, Reddit's obligations to its users include "allowing [them] to delete

-10-

Case No. 3:25-cv-5643-SI

⁴ Reddit User Agreement § 18 ("These Terms, together with the Privacy Policy and any other agreements expressly incorporated by reference into these Terms, constitute the entire agreement between you and us regarding your access to and use of the Services.").

posts and comments" and "providing [them] meaningful control over their content and data." Compl. ¶ 85; User Agreement, Privacy Policy.

Reddit's contractual obligations related to user privacy also extend to Reddit's licensing of content to third parties. Indeed, these privacy obligations specifically include the licensing of user content "to train AI and machine learning models as further described in [Reddit's] Public Content Policy", which is also expressly incorporated by reference into the User Agreement. User Agreement § 5; see Compl. ¶¶ 34-36 n.10. In other words, Reddit's license from its users related to Reddit user content is subject to and limited by the Public Content Policy. And Reddit promises in the Public Content Policy that it "does not license or make publicly available private data about Redditors, including . . . deleted posts and comments." User Agreement, Public Content Policy; Compl. ¶¶ 34-36 n.10. Reddit further explains that it is able to honor this obligation to Reddit users through "[d]ata licensing arrangements" which "enable Reddit to . . . "[p]lace contractual restrictions on prohibited use of public content to protect user rights", including to "[e]nsure data licensees honor public content deletions by Redditors and Reddit." Id.

Reddit later re-emphasizes that "Our data licensing arrangements include strict restrictions – that we will strongly enforce – to protect Redditors and the anonymity and privacy that is core to our platform. Our licensees cannot, for example. . . [c]ontinue to use or display public content deleted by Redditors." *Id.* As alleged in the Complaint, Reddit "ensur[es] that when Reddit licenses content to third parties, it imposes meaningful guardrails to protect users' rights and preferences" and "ensur[es] data licensees honor public content deletions by Reddit users." Compl. ¶¶ 36, 85.

Finally, under its User Agreement, users may seek to enforce their privacy rights arising from the User Agreement, Privacy Policy, and Public Content Policy in state or federal court in San Francisco, California. User Agreement, § 14. Not even the most strained reading of Reddit's User Agreement supports Anthropic's argument that "[n]one of the contracts Reddit identifies—Reddit's User Agreement, Reddit's Privacy Policy, and Reddit's Public Content Policy—contain enforceable user rights that would support an interference claim." *See* Opp. at 12. Rather, both because Reddit's contractual covenants with its users around privacy rights have zero to do with copyrights and

because Anthropic has no viable response to its interference with those contractual covenants, Anthropic opts to ignore them.

But ultimately, Anthropic simply misapprehends the focus of the preemption analysis. As in *MDY Indus*., where the defendant interfered with a terms of use contract between a video game platform and its users through inducement of violations of "the anti-bot provisions of the [Terms of Use]"—including a prohibition against "us[ing] any third-party software that intercepts, 'mines,' or otherwise collects information from or through the Program or Service"—Anthropic's automated software accesses and uses for commercial purposes content from the Reddit platform in a manner that clearly interferes with Reddit's covenants with its users. 629 F.3d at 938, 957-58 ("This action concern[ed] the anti-bot provisions of ToU § 4(b)(ii) and (iii), which we have held are contractenforceable covenants rather than copyright-enforceable conditions", and so the plaintiff could enforce contractual rights "not equivalent to any of its exclusive rights of copyright", including its tortious interference claim).

In this way, Anthropic's reliance on *Media.net Advert. FZ-LLC v. NetSeer, Inc.*, 156 F. Supp. 3d 1052, 1071-72 (N.D. Cal. 2016) is misplaced. In that case, the "[p]laintiff's claim of tortious interference [was] not based on [d]efendant's breach of contract or licensing agreement." *Id.* But, as discussed above, in this case, Reddit's tortious interference claim, like its other causes of action, depends in part on Anthropic's prohibited access to and use of Reddit's platform in violation of the User Agreement. Anthropic's misuse of Reddit's platform is thus a breach of Reddit's terms, and also simultaneously interferes with Reddit's contractual obligations to its users under those terms. *See Altera*, 424 F.3d at 1089 (finding no preemption of tortious interference claim, in part, because "[t]he right at issue is not the reproduction of the software as Clear Logic argues, but is more appropriately characterized as the use of the [software]."). Reddit's tortious interference claim accordingly contains multiple additional elements and protects rights not equivalent to copyrights, so Anthropic fails to carry its heavy burden as to this state law cause of action as well.

4. Reddit's Unfair Competition Claim Contains Extra Elements Not Equivalent To Copyrights

Finally, Anthropic fails to carry its heavy burden of establishing Reddit's UCL claim is also completely preempted. At a minimum, as Anthropic acknowledges, portions of Reddit's UCL claim are indisputably not preempted.⁵ *See Summit Mach. Tool Mfg. Corp. v. Victor CNC Sys., Inc.*, 7 F.3d 1434, 1440 (9th Cir. 1993). Furthermore, Anthropic's attempt to inject merits considerations is more appropriate for a demurrer attacking the pleading in state court than its Opposition to remand. Reddit accordingly addresses only the issues properly before the Court. *Toumajian v. Frailey*, 135 F.3d 648, 658 (9th Cir. 1998) (noting "[c]hallenges to the court's power to rule [on a motion to remand based on improper invocation of complete jurisdiction] must, of necessity, be determined before the court may rule on the merits.").

<u>Unlawful prong</u>: For the same reasons Reddit's tortious interference claim is not completely preempted, Reddit's unlawful UCL claim on which it is based survives. *Jonathan Browning, Inc. v. Venetian Casino Resort, LLC*, 2007 WL 4532214, at *10 (N.D. Cal. Dec. 19, 2007) (UCL claim based on intentional interference claim is not preempted by the Copyright Act because "[a] claim for intentional interference with contractual relations provides the extra element that is not preempted by federal law."). Anthropic apparently agrees because its sole argument to the contrary depends on the Court finding Reddit's tortious interference claim is subject to complete preemption. *See* Opp. at 13.

<u>Unfair prong</u>: Anthropic fails to establish that Reddit's cause of action premised on the unfairness prong of the UCL is completely preempted. As alleged in the Complaint, "Anthropic has engaged in . . . unfair business acts by, among other things, trespassing on Reddit's platform and taking possession of Reddit content and data without authority or permission." Compl. ¶ 93. Unlike in *Yu*, Reddit's UCL claims are not predicated solely on the fact that Anthropic scraped and used Reddit content without permission. 2023 WL 5671932, at *6. Instead, it is the combination of Anthropic's scraping *and* automated bots' digital trespass—the latter Anthropic concedes does not

⁵ The parties agree Reddit's UCL claim based on its trespass to chattels claim is not subject to copyright preemption. Opp. at 13.

7

1

2

3

9

10

13

14 15

16 17

18

19 20

21 22

23

24

25 26

27 28 sound in copyright by not challenging that claim—which gives rise to the heart of Reddit's unfairness claim.

Fraud prong: Anthropic does not dispute that courts have consistently recognized that claims of fraud fall outside the ambit of the Copyright Act, because a fraud claim necessarily contains the additional element of misrepresentation. Wimer, 2017 WL 5635461, at *5 (rejecting preemption of UCL claim because fraud claims on which the UCL claim was based were not preempted). Unlike in Sybersound Recs., Inc. v. UAV Corp., where the defendant failed to disclose certain conduct, here Anthropic affirmatively represented its compliance with the User Agreement to Reddit. Compl. ¶¶ 7-9; 2005 WL 8156567, at *6 (C.D. Cal. Nov. 7, 2005). Anthropic cites no case that such an affirmative misrepresentation of fact is insufficient to support a UCL claim. In the Ninth Circuit, an "intentional[] misrepresent[ation]" of "intent to perform [a] contract ... is not substantially equivalent to a claim for copyright infringement." See Valente-Kritzer Video v. Pinckney, 881 F.2d 772, 776 (9th Cir. 1989). Moreover, the unearned advantages Anthropic gained from its free-riding on Reddit's platform without incurring the costs necessary to host this content, despite representing it was not accessing the platform, are damages which the UCL—not the federal Copyright Act—is designed to remedy. See Yu, 2023 WL 5671932, at *6 (noting scraper's misrepresentation of scraped content as its own to third parties gave rise to damages not subject to copyright preemption).

In short, because none of the underlying violations on which Reddit bases its UCL claim are subject to complete preemption, its UCL claim, likewise, is not completely preempted and provides no basis for removal jurisdiction.

В. Even If The Court Finds A Cause of Action Completely Preempted, The Court Should Decline To Exercise Supplemental Jurisdiction Over The Remaining **Causes Of Action.**

Finally, even if the Court were to find a cause of action (or a portion of a cause of action) to be completely preempted, the Court should decline to exercise supplemental jurisdiction under 28 U.S.C. Section 1367(c) over the remaining state law causes of action. See, e.g., Yu, 2023 WL 5671932, at *7 (declining to exercise supplemental jurisdiction over remaining state law claims where plaintiff declined to amend its complaint to assert a federal copyright claim). This declination 1 of 2 cla
3 at
4 wh
5 "m
6 pre
7 (en
8 tres
9 Inc
10 Re
11 pre

of jurisdiction is particularly appropriate where, as is very likely to be the case here, the bulk of the claims are not preempted and state law claims continue to predominate. *Firoozye*, 153 F. Supp. 2d at 1124-33 (dismissing preempted state law claims and granting the plaintiff's motion to remand where a great number of state law claims were not preempted); 28 U.S.C. §1367(c), (district court "may decline to exercise supplemental jurisdiction over a claim . . . if . . . the claim *substantially predominates* over the claim or claims over which the district court has original jurisdiction." (emphasis added)). As discussed above, Reddit's contract, tortious interference with contract, and trespass state law causes of action are dominant, and Reddit never alleged federal copyright claims. Indeed, as Anthropic acknowledges, the Court would have no discretion to exercise jurisdiction if Reddit were to amend its complaint to no longer assert any claims the Court finds completely preempted. *See Royal Canin U.S.A., Inc. v. Wullschleger*, 604 U.S. 22 (2025). Accordingly, the Court should grant the Motion.

CONCLUSION

Reddit is the master of its Complaint, and this is not a copyright case. Reddit alleged multiple causes of action, all of which are state law claims. Based on a fundamental mischaracterization of what Reddit actually alleges in its Complaint, Anthropic improvidently removed the action. But because Anthropic fails to meet its heavy burden necessary to overcome the presumption favoring remand, the Court should grant the Motion, authorize an award of fees and costs pursuant to 28 U.S.C. Section 1447(c), and remand the action back to the San Francisco Superior Court where it belongs.

21

12

13

14

15

16

17

18

19

20

22

2324

25

26

27

28

1	DATED: September 25, 2025	QUINN EMANUEL URQUHART & SULLIVAN, LLP
2		
3		By: /s/ Corey Worcester
4		QUINN EMANUEL URQUHART &
5		SULLIVAN, LLP John B. Quinn (Bar No. 90378) johnquinn@quinnemanuel.com
7		865 South Figueroa Street, 10th Floor Los Angeles, California 90017-2543
8		Telephone: (213) 443-3000 Facsimile: (213) 443-3100
9		Morgan W. Tovey (Bar No. 136242) morgantovey@quinnemanuel.com
10		50 California Street, 22nd Floor San Francisco, California 94111
11		Telephone: (415) 875-6600 Facsimile: (415) 875-6700
12		Corey Worcester (Admitted <i>pro hac vice</i>)
13		coreyworcester@quinnemanuel.com Stefan Berthelsen (Admitted <i>pro hac vice</i>)
14		stefanberthelsen@quinnemanuel.com 295 Fifth Avenue, 9th Floor
15		New York, New York 10016 Telephone: (212) 849-7000
16		Facsimile: (212) 849 -7100
17		Attorneys for Plaintiff Reddit, Inc.
18		
19 20		
21		
22		
23		
24		
25		
26		
27		
28		
-		